

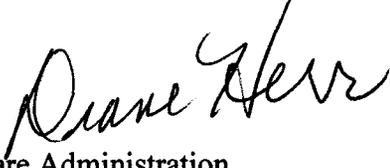
**Maryland Department of Health and Mental Hygiene**

201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM**Physicians' Transmittal No. 130****June 30, 2006**

TO: General Clinics
Managed Care Organizations
Nurse Anesthetists
Nurse Practitioners
Nurse Midwives
Physicians
Podiatrists

FROM: Diane Herr, Director 
HealthChoice and Acute Care Administration
Office of Health Services

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Proposed Amendments to Physicians' Services, COMAR 10.09.02

The Maryland Medical Assistance Program is proposing to amend Regulations .01, .05, .06 and 0.7 of COMAR 10.09.02, Physicians' Services, effective July 1, 2006. A copy of this proposal, as printed in the June 23, 2006 issue of the Maryland Register, is attached.

The proposed amendment revises the Medical Assistance Program's Physicians' Services Provider Fee Manual by incorporating the American Medical Association's Current Procedural Terminology (CPT) additions and deletions for 2006.

The 2006 revision to the physician fee schedule also includes fee increases for approximately 1,400 procedures, including, general surgery, ENT, E&M and anesthesia. Senate Bill 836 (2005), Maryland Patients' Access to Quality Health Care Act of 2004- Implementation and Corrective Provisions, established the Maryland Health Care Provider Rate Stabilization Fund for the purpose to retain health care providers in the State. The fund has allocated \$27.6 million dollars to the Medical Assistance Program for FY 2007 to increase fee-for-service and MCO capitation rates.



In addition, these amendments revise the regulations' limitations for sterilization reversals, gender changes, and services rendered by non-physician extenders, and preauthorization requirements for elective services from non-contiguous states.

\$6.0 million of the 27.6 million has been allocated to fee-for-service providers and the remainder to HealthChoice Managed Care Organizations. The fee increases take effect July 1, 2006.

The Physicians' Services Provider Fee Manual Revision effective July 1, 2006 is a 75-page word document available on the internet at www.dhmh.state.md.us/mma/providerinfo. Any questions regarding this transmittal or the 2006 revision to the physicians' fee schedule and requests for hard or email copies of the fee schedule should be directed to the staff specialist for physicians' services at 410-767-1481 or 1-877-463-3464, extension 1481.

attachment

~~B. To determine the amount of the penalty imposed under §A(2) of this regulation, the Board shall consider:~~
~~(1) The seriousness of the violation;~~
~~(2) The harm caused by the violation;~~
~~(3) The good faith of the individual; and~~
~~(4) Any previous violations by the individual.~~
~~C. The Board shall pay any penalty collected into the General Fund of the State~~

JACOB C. COHEN
 Chairman
 Board of Public Accountancy

Title 10 DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.02 Physicians' Services

Authority: Health-General Article, §§2-104(b), 15-103, and 15-105,
 Annotated Code of Maryland

Notice of Proposed Action [06-149-P-I]

The Secretary of Health and Mental Hygiene proposes to amend Regulations .01, .05, .06, and .07 under COMAR 10.09.02 Physicians' Services.

Statement of Purpose

The purpose of this action is to revise the Maryland Medical Assistance Program's Physicians' Services Provider Fee Manual by incorporating the American Medical Association's Current Procedural Terminology (CPT) additions and deletions for 2006 and to increase the fees for approximately 1,400 evaluation and management, anesthesia, surgery, radiology, and medical procedures. The proposed action also provides for clarifying changes, including adding a definition of medical necessity found in other chapters of this subtitle and as well as changes regarding limitations on coverage.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. For the last 6 months of FY 2007, \$2,835,780 from the Maryland Health Care Provider Rate Stabilization Fund (\$1,417,890 in general funds, \$1,417,890 in federal matching funds) will be used by the Medical Assistance Program to increase fee-for-service rates for certain medical and surgical procedures.

II. Types of Economic Impact.	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(E+)	\$1,417,890 general \$1,417,890 federal
B. On other State agencies:	NONE	

C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	(+)	\$2,835,780
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. In order to retain health care providers in the State and assure access to quality health care, Senate Bill 836 (2005) created a Medical Assistance Account which allocates funds to the Department of Health and Mental Hygiene to increase Medical Assistance fee-for-service rates for physicians. The General Fund cost of the fee increases is \$1,417,890 and \$1,417,890 will be received from federal matching funds.

D. An increase in Medicaid reimbursement rates for fee-for-service providers will cost \$2,835,780 in the second half of FY 2007. Approximately 1,400 procedures and services will have their rates increased. It is assumed that reimbursing physicians at these higher rates will be an incentive for providers to continue to provide quality health care to Medical Assistance recipients in the State.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small businesses. An analysis of this economic impact follows.

This action would have a meaningful impact on small businesses since certain physician specialties would receive increased reimbursement for services delivered to Medicaid patients.

Impact on Individuals with Disabilities

The proposed action has an impact on individuals with disabilities as follows:

The proposed action has an impact on individuals with disabilities to the extent that the physician fee increases will assure access to quality health care for individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Michele Phinney, Director, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, Room 521, 201 W. Preston Street, Baltimore, Maryland 21201, or call (410) 767-6499 or 1-877-4MD-DHMH, extension 6499, or fax to (410) 333-7687, or email to regs@dhmh.state.md.us. Comments will be accepted through July 24, 2006.

Editor's Note on Incorporation by Reference

Pursuant to State Government Article, §7-207, Annotated Code of Maryland, the Maryland Medical Assistance Program, Physicians Services Provider Fee Manual, Revision 2006 has been declared a document generally available to the public and appropriate for incorporation by reference. For this reason, it will not be printed in the Maryland Register or the Code of Maryland Regulations (COMAR). Copies of this document are filed in special public depositories located throughout the State. A list of these depositories was published in 33:2 Md. R 68 (January 20, 2006), and is available online at www.dsd.state.md.us. The document may also be inspected at the office of the Division of State Documents, 16 Francis Street, Annapolis, Maryland 21401.

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

3. Terms Defined.

(1) — (10) (text unchanged)

(11) "Medically necessary" means that the service or benefit is:

(a) Directly related to diagnostic, preventive, curative, palliative, rehabilitative, or ameliorative treatment of an illness, injury, disability, or health condition;

(b) Consistent with current accepted standards of good medical practice;

(c) The most cost efficient service that can be provided without sacrificing effectiveness or access to care; and

(d) Not primarily for the convenience of the consumer, family, or provider.

[(11)] (12) — [(26)] (27) (text unchanged)

.05 Limitations.

A. Services which are not covered are:

(1) — (17) (text unchanged)

(18) Services which are provided outside the United States; [and]

(19) Services which do not involve direct (face-to-face) patient contact[.];

(20) Sterilization reversal procedures; and

(21) Gender change or sex reassignment procedures.

B. — G. (text unchanged)

H. The provider may not bill the Program for services rendered under the supervising physician's provider number by an employed nonphysician extender, such as:

(1) A physical therapist;

(2) An occupational therapist;

(3) A speech language pathologist;

(4) An audiologist; or

(5) A nutritionist.

.06 Preauthorization Requirements.

A. The following procedures or services require preauthorization:

(1) — (3) (text unchanged)

[(4)] All evaluations, procedures, and treatment related in any way to sex reassignment;

(5) Medical Assistance prescriptions and injections for female hormones for biologic males;

(6) Medical Assistance prescriptions and injections for male hormones for biologic females;]

[(7)] (4) — [(8)] (5) (text unchanged)

[(9)] (6) Surgical procedures for the treatment of obesity[.]; and

(7) Elective services from a noncontiguous state.

B. — C. (text unchanged)

D. The Department will preauthorize services when the provider submits to the Department adequate documentation demonstrating that the service to be preauthorized is medically necessary [and appropriate]. ["Necessary" means directly related to diagnostic, preventive, curative, palliative or rehabilitative treatment. "Appropriate" means an effective service that can be provided, taking into consideration the particular circumstances of the recipient and the relative cost of any alternative services which could be used for the same purpose.]

E. — F. (text unchanged)

.07 Payment Procedures.

A. — C. (text unchanged)

D. The Maryland Medical Assistance Program Physicians' Services Provider Fee Manual, Revision [2005] 2006,

is contained in the Medical Assistance Provider Fee Manual, dated October 1986. All the provisions of this document, unless specifically excepted, are incorporated by reference.

E. — Q. (text unchanged)

S. ANTHONY McCANN
Secretary of Health and Mental Hygiene

Subtitle 09 MEDICAL CARE PROGRAMS
10.09.10 Nursing Facility Services

Authority: Health-General Article, §§2-104(b), 15-103, and 15-105, Annotated Code of Maryland

Notice of Proposed Action
[06-150-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulations .08 and .09 under COMAR 10.09.10 Nursing Facility Services.

Statement of Purpose

The purpose of this action is to establish higher Medicaid reimbursement rates for nursing facilities that maintain kosher kitchens. The action will apply to services provided during the period of July 1, 2006 through June 30, 2007, consistent with the Department's fiscal year 2007 budget.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. Proposed amendments will increase Program expenditures for nursing facility services by \$500,000 during fiscal year 2007, July 1, 2006 — June 30, 2007.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	(E+)	\$500,000
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+)	Magnitude
	Cost (-)	
D. On regulated industries or trade groups: Nursing Home Providers	(+)	\$500,000
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. and D. Four Maryland nursing facilities maintain kosher kitchens. In each facility, for services during the period of July 1, 2006 — June 30, 2007, the Medicaid Program will add \$1.35 to the portion of the rate attributable to the Administrative and Routine cost center and .76 cents to the portion of the rate attributable to the Other Patient Care cost center. During that time, the Department projects that the four facilities will account for 236,420 days of service for Medicaid recipients, for a total projected increase in reimbursement for this period of \$500,000. Fifty percent of this amount, \$250,000, is State funds and 50 percent is federal funds.